

DIRECTIVE

JOB TRAINING PARTNERSHIP ACT

Number: D97-14

Date: January 27, 1998
69:103:mw

TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: TITLE III PERFORMANCE STANDARDS FOR PY 1997-98

EXECUTIVE SUMMARY:

Purpose:

This Directive provides Title III performance standards data and instructions for Program Year PY 1997-98.

Scope:

The requirements and instructions in this Directive apply to the Title III formula-funded program.

Effective Date:

This Directive is effective July 1, 1997.

REFERENCES:

- Job Training Partnership Act (JTPA) Section 106
- Title 20 Code of Federal Regulations (CFR), Section 627.470
- Job Training Partnership Act (JTPA) Title II and Title III Performance Standards for PYs 1996 and 1997, transmitted by Training and Employment Guidance Letter (TEGL) 4-95, Change 1, dated May 3, 1996
- JTPA Title II and Title III Performance Standards Worksheets (Optional) for PY 1996, transmitted by TEGL 4-95, Change 2, dated August 20, 1996
- Guide to JTPA Performance Standards for Program Years 1996 and 1997 (TAG), transmitted by Training and Employment Information Notice (TEIN) No. 26-96, dated April 22, 1997

STATE-IMPOSED REQUIREMENTS:

This Directive contains state-imposed requirements that are printed in ***bold, italic*** type.

FILING INSTRUCTIONS:

This Directive supersedes JTPA Directive D96-16 dated December 23, 1996.

BACKGROUND:

Section 106 of the JTPA requires that the Secretary of the Department of Labor (DOL) prescribe performance standards for dislocated worker programs under Title III. The Secretary has provided multiple regression models for use by the governors to accomplish this provision. In addition, Section 106(d) further provides that each Governor shall prescribe, within parameters established by the Secretary, 1) variations in the performance standards based upon specific economic, geographic and demographic factors in each Service Delivery Area (SDA); 2) the characteristics of the population to be served; 3) demonstrated difficulties in serving the population; and 4) the type of service to be provided.

POLICY AND PROCEDURES:

I. PERFORMANCE MEASURES

There are two performance measures for programs serving dislocated workers: Entered Employment Rate (EER) and Average Wage at Placement (AWP). The Governor is required to implement the core EER measure while the AWP measure is optional. For PY 1997-98, the state established only the EER as a required measure.

II. PERFORMANCE LEVELS

For PY 1997-98, SDAs are required to meet or exceed the EER standard by the end of the program year (i.e., June 30). At the mid-point of PY 1997-98, the state will provide SDAs with a progress report of their Title III, EER performance based on second quarter data. The SDAs failing this measure at mid-point of the program year will be offered technical assistance to improve their performance or help in exploring adjustments to the standard caused by factors beyond their control.

III. INCENTIVES/SANCTIONS

The final assessment of EER performance outcomes will be based on the Title III fourth quarter reports due July 25, 1998, (or August 20, 1998 if a revised fourth quarter report is filed). Although the Governor has elected not to provide incentive awards for Title III performance, ***SDAs failing to meet the EER standard will be required to develop a corrective action plan (CAP) for submission to the state. The CAP must include measures the SDA will take to ensure success in meeting the standard in the succeeding program year.*** The SDAs failing the EER measure for two consecutive years can be subject to redesignation or bypass procedures as allowed for in Section 627.470(g)(5) of 20 CFR Final Rule.

PROCEDURES FOR CALCULATION OF PERFORMANCE

The SDA standards for Title III programs are set by using the Secretary's multiple regression models. Regression models account for local factors that affect performance such as participant characteristics, program mix and the unemployment rate.

I. SETTING STANDARDS

A. REGRESSION MODEL WORKSHEETS

Regression model worksheets (for both the EER and AWP) and instructions for the calculation of performance standards for the program year are contained in Attachments 1 and 2, respectively. These worksheets were issued by DOL in TEGL 4-95, Change 2, dated August 20, 1996. The worksheets were generated using a statistical technique called multiple regression analysis. This method estimates the factor weights presented on the worksheets. The weights represent the simultaneous influences of various participant characteristics and local economic conditions on SDA program performance.

B. DATA

The local factor values in the performance standards worksheets are calculated from quarterly data provided by the SDAs and reported on their JTPA 11, Participant Characteristics Summary. Local economic data for PY 1997-98 are provided on Attachment 3. These data are based upon the latest available information prepared by the Employment Development Department's Labor Market Information Division or the DOL.

C. EXTREME VALUES

Although the regression models produce meaningful performance standards for most SDAs, under some circumstances, the results are unacceptably extreme. Each year, the Secretary publishes tables of extreme values for model-adjusted standards and for local factors. Extreme values are listed in Attachment 4, Tables I and II.

Extreme local factor values may indicate the need for adjustments beyond the model. Whenever an SDA has one or more extreme local factor values, we encourage a request for an adjustment. ***The JTPD staff will unilaterally adjust any model-adjusted EER standard with extreme values (unless the adjustment will have no effect on whether or not the SDA exceeds the standard). Adjustments using a wider tolerance range will not be considered.***

D. ADJUSTMENTS BEYOND THE MODEL

The regression models do not necessarily take into account every factor that may affect performance. Further, weights applied to local factors in the models are based on national performance levels, and this may not reflect California experience. Therefore, requests for adjustments to performance standards are encouraged whenever local circumstances make such adjustments appropriate. Adjustments are applied to the EER measure only.

Although adjustments beyond the model must meet the federal criteria, an initial request for adjustment need not include extensive technical data. The adjustment process may begin with a simple written statement of concern. Upon receipt of the written request, JTPD staff will provide technical assistance in determining if the requested adjustment meets the federal criteria and in developing an appropriate adjustment methodology. Requests

will be processed in accordance with procedures described in JTPA Directive D95-10.

II. PERFORMANCE OUTCOMES - ACTUAL

Actual performance is calculated from data extracted from the SDA's JTPA 10E. The performance outcomes for the EER measure are derived as follows:

The number of individuals who entered employment of at least 20 hours per week at termination (excluding those who were recalled or retained by the original employer after receipt of a layoff notice) as a percentage of total terminations (excluding those who were recalled or retained by the original employer after receipt of a layoff notice).

III. VARIANCE

Variance is the degree by which a standard is exceeded, met or failed.

For the EER core measure, the variance will be the difference between the standard and the actual performance.

EXAMPLE

Entered Employment Rate Performance	73.5%
Entered Employment Rate Standard	<u>-65.5%</u>
Difference	+8.0%
Variance (equal to the difference)	+8.0%

ACTION:

It is the SDA's responsibility to establish, maintain and exercise ongoing controls to ensure compliance with these requirements.

INQUIRIES:

If you have any questions regarding this Directive, please contact Deborah Cusimano at (916) 653-4292.

/S/ BILL BURKE

Acting Assistant Deputy Director

Attachments

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**WORKSHEETS FOR CALCULATING
TITLE III PERFORMANCE STANDARDS
PY 1997-98**

(July 1, 1997, through June 30, 1998)

Entered Employment Rate (core)

Average Wage at Placement (non-core)

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PY 97 JTPA PERFORMANCE STANDARDS WORKSHEET		A. Service Delivery Area Name	B. SDA Number
C. Performance Period: PY 1997-98	D. Type of Standard: [] Plan [] Recalculated	E. Performance Measure: Entered Employment Rate (Title III)	

F. Local Factors	G. SDA Factor Values	H. National Averages	I. Difference (G - H)	J. Weights	K. Effect of Local Factors on Performance (I * J)
1. % Female		48.9		-0.027	
2. % Age 55 or more		7.7		-0.086	
3. % Not a high school graduate		7.9		-0.050	
4. % Black		13.1		-0.027	
5. % Other minority		9.4		-0.019	
6. % Cash welfare recipient		3.0		-0.111	
7. % Basic skills deficient		32.9		-0.013	
8. % Individual with disabilities		3.5		-0.074	
9. % Limited English proficiency		1.5		-0.059	
10. % Displaced homemaker		1.3		-0.059	
11. % Unemployed 15 or more weeks		39.1		-0.018	
12. % UC claimant		61.7		0.034	
13. Unemployment rate		6.8		-0.580	
14. Employment/resident worker ratio		97.3		-0.149	

L. Total	
M. National Departure Point	72.0
N. Model-Adjusted Performance Level (L+M)	
O. Governor's Adjustment	
P. SDA Performance Standard	

PY 97 JTPA PERFORMANCE STANDARDS WORKSHEET		A. Service Delivery Area Name	B. SDA Number
C. Performance Period: PY 1997-98	D. Type of Standard: [] Plan [] Recalculated	E. Performance Measure: Average Wage at Placement (Title III)	

F. Local Factors	G. SDA Factor Values	H. National Averages	I. Difference (G - H)	J. Weights	K. Effect of Local Factors on Performance (I * J)
1. % Female		48.9		-0.0092	
2. % Age 55 or more		7.7		-0.0051	
3. % Not a high school graduate		7.9		-0.0024	
4. % Post-high school (not a college graduate)		26.5		0.0061	
5. % College graduate		12.4		0.0247	
6. % Black		13.1		-0.0057	
7. % Other minority		9.4		-0.0008	
8. % Minority male		10.7		-0.0019	
9. % Basic skills deficient		32.9		-0.0034	
10. % Individual with disabilities		3.5		-0.0042	
11. % Limited English proficiency		1.5		-0.0072	
12. % Vietnam-era veteran		7.6		-0.0019	
13. % Unemployed 15 or more weeks		39.1		-0.0038	
14. % UC exhaustee		11.0		-0.0028	
15. Average dislocation wage		10.5		0.4043	
16. Unemployment rate		6.8		-0.0452	
17. Annual earnings in retail and wholesale trade		16.1		0.1537	
18. Employee/resident worker ratio		97.3		-0.0110	

L. Total	
M. National Departure Point	\$9.34
N. Model-Adjusted Performance Level (L+M)	
O. Governor's Adjustment	
P. SDA Performance Standard	

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**GENERAL INSTRUCTIONS FOR COMPLETING
JTPA PERFORMANCE STANDARDS WORKSHEETS
PY 1997-98
(July 1, 1997, through June 30, 1998)**

**GENERAL INSTRUCTIONS FOR COMPLETING THE JTPA
TITLE III PERFORMANCE STANDARDS WORKSHEETS
FOR PY 1997-98**

The following provides general instructions for completing the JTPA Performance Standards Worksheets including the sources of data and computation methods for the items on the worksheets.

- A. Service Delivery Area Name
Enter the SDA name.
- B. SDA Number
Enter the JTPA number assigned by the Governor to the SDA.
- C. Performance Period
The performance period is preprinted.
- D. Type of Standard/Date Calculated
Enter a check in the box next to the appropriate response (i.e., whether the standard is based on the SDA plan or is recalculated based on actual service levels). Enter the date on which the calculations were made.
- E. Performance Measures
The name of the appropriate performance measure for which the SDA Performance Standard is being established is preprinted.
- F. Column F - Local Factors
The Local Factors determined by the Secretary to have a measurable influence on SDA expected performance levels for each of the performance measures are preprinted.
- G. Column G - SDA Factor Values
Enter the SDA values for each Local Factor listed in "Column F." When the worksheets are used for planning purposes, these SDA Factor Values should reflect the characteristics of the participants expected to terminate during the program year. These planning values should be obtained from the SDA. When the worksheets are used to calculate final standards, actual terminnee characteristics should be substituted for the planned Factor Values.

The characteristics of the terminees must be expressed as a percent of the total number of participants who terminate during the program year. SDA local economic data provided in Attachment 3 may be used to determine the SDA Factor Values for local economic conditions.

NOTE: The definitions of the local factors are based on the Standardized Program Information Report definitions.

H. Column H - National Averages

The National Averages mean data for the Local Factors shown in “Column F” are preprinted. These represent the characteristics for JTPA terminees served in PY 1994.

I. Column I - Difference

Subtract “Column H” (National Averages) from “Column G” (SDA Factor Values) for each Local Factor listed in “Column F” and enter the result in “Column I.”

J. Column J - Weights

The appropriate Weights for each Local Factor listed in “Column F” is preprinted. These Weights indicate the estimated effect of each characteristic on the performance measure in question.

K. Column K - Effect of Local Factors on Performance Expectations

Multiply “Column I” by “Column J” for each Local Factor listed in “Column F” and enter the result in “Column K.”

L. Block L - Total

Obtain the total of items listed in “Column K” by adding the positive items and subtracting the negative items. This represents the net effect of Local Factors on performance.

M. Block M - National Departure Point

The National Departure Point for each performance measure is preprinted for all measures. The departure point for the EER standard is set at the 25th percentile and the departure point for the AWP is shown at the 40th percentile. As there is no national standard for the AWP, the Governor has the discretion to set the departure point for that measure. The 40th percentile was selected to be consistent with the Title II earnings measures which also use the 40th percentile. This worksheet is provided to assist SDAs in measuring performance for Title III earnings. For SDAs wishing to use more difficult or easier departure points the following are suggested:

25th Percentile	\$9.08
30th Percentile	\$9.17
35th Percentile	\$9.25
40th Percentile	\$9.34
50th Percentile	\$9.40

The extreme values in Attachment 4 assume that the AWP model departure point is set at the 40th percentile (\$9.34). If a different value is used, the departure point minus 9.34 should be added to the figures in Attachment 4 for the AWP.

N. Block N - Model-Adjusted Performance Level

Add the Total "Block L" to the National Departure Point "Block M." Enter the result in "Block N." This figure represents the Model-Adjusted Performance Level.

O. Block O - Governor's Adjustment

The Governor may adjust the Model-Adjusted Performance Level to account for additional circumstances, to include a productivity improvement factor, or to allow for statistical imprecision.

Although the adjustment models produce meaningful performance standards for a large majority of SDAs, under some circumstances, the results may be unacceptably extreme. Governors should examine individual performance expectations for the SDAs with extreme model-adjusted performance levels. The model-adjusted values that are considered extreme for Title III are given in Attachment 4, Tables I and II.

Combine the adjustments allowed by the Governor and enter in "Block O" the total positive or negative adjustment. If no adjustment is determined to be appropriate, enter a zero in "Block O." Generally, the Governor's Adjustment applied at the beginning of the year for planning purposes should also be applied at the end of the year to determine actual standards. However, it should be recalculated based on actual data, if possible. Further, additional adjustments may be made for circumstances that vary from the beginning to the end of the year due to unanticipated circumstances that occurred during the year.

P. Block P - SDA Performance Standard

Combine the Governor's Adjustment in "Block O" with the Model-Adjusted Performance Level in "Block N." Enter the result in "Block P."

NOTE: The user is reminded that National Averages and Weights (preprinted in Columns "H" and "J") and the National Departure Points in "Block M" must not be changed when calculating the expected performance level to preserve the integrity of the modeling approach. Further, all Local Factors must be included when computing the Model-Adjusted Performance Level.

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**ECONOMIC DATA FOR
PERFORMANCE STANDARDS**

PY 1997-98

(July 1, 1997, through June 30, 1998)

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PY 97 ECONOMIC PLANNING DATA

SDA	Ave. Annual Earnings in Retail/Wholesale Trade (1,000s) (LMID: 1990 Census)	PY 1997-98 Unemployment Rate (LMID)	Percent Employed in Mining, Manufacturing & Agriculture (LMID: 1990 Census)
Anaheim	20.6	4.2	20.3
Butte	15.1	8.7	12.5
Carson/Lomita/Torrance	23.7	7.6	17.2
Contra Costa	22.6	4.0	9.6
Co. of Alameda	26.7	3.7	14.8
Foothill	23.7	7.6	17.2
Fresno	18.4	13.1	28.6
Golden Sierra	17.6	5.6	11.2
Humboldt	14.4	7.1	16.9
Imperial	16.4	28.1	32.7
Kern/Inyo/Mono	17.3	12.1	27.3
Kings	16.2	12.8	32.4
Long Beach	23.7	7.6	17.2
Los Angeles City	23.1	8.7	15.6
Los Angeles County	23.7	7.6	17.2
Madera	16.5	14.0	40.4
Marin	21.6	3.0	5.7
Mendocino	14.7	8.2	22.8
Merced	15.3	15.6	36.3
Monterey	18.7	10.8	29.1
Mother Lode	14.0	8.5	10.1
Napa	17.2	5.7	22.8
NoRTEC	14.0	10.7	17.8
NCC	15.4	14.0	25.6
NOVA	32.6	2.5	30.9
Oakland	22.9	7.4	10.6
Orange	27.2	3.1	17.3
Richmond	17.5	8.5	11.2
Riverside	17.3	7.8	15.9
Sacramento	19.2	5.7	6.6
San Benito	16.5	11.6	39.2
San Bernardino City	16.5	9.6	8.4
San Bernardino County	19.7	6.3	14.6
San Diego	19.1	4.8	12.9
San Francisco	26.6	4.2	6.7
San Joaquin	18.9	10.8	22.0
San Luis Obispo	14.7	5.1	12.1
San Mateo	28.6	3.0	11.8
Santa Ana	14.5	6.5	25.4
Santa Barbara	17.8	5.4	19.9
Santa Clara	27.8	3.7	27.0
Santa Cruz	17.8	8.0	25.7
SELACO	23.7	7.6	17.2
Shasta	16.2	9.3	9.9

SDA	Ave. Annual Earnings in Retail/Wholesale Trade (1,000s) (LMID: 1990 Census)	PY 1997-98 Unemployment Rate (LMID)	Percent Employed in Mining, Manufacturing & Agriculture (LMID: 1990 Census)
Solano	18.1	7.0	10.3
Sonoma	19.6	4.0	17.8
South Bay	23.7	7.6	17.2
Stanislaus	17.3	13.5	28.2
Tulare	16.9	15.5	36.9
Ventura	19.9	6.8	19.2
Verdugo	23.7	7.6	17.2
Yolo	23.0	6.0	13.9
State	22.2	6.8	17.3

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PY 97 ECONOMIC PLANNING DATA

SDA	Population Density (1,000s/sq. mi.) (LMID: CY 1997)	Percent Family Income Below Poverty Level (LMID: CY 1997)	Employee/ Resident Worker Ratio (DOL: CY 90)	3-Year Growth Rate in Earnings in Retail/Wholesale Trade (DOL CY 92- CY 95)
Anaheim	6.52	7.4	100.2	-0.7
Butte	0.12	12.2	97.7	-3.3
Carson/Lomita/Torrance	2.31	11.6	105.6	-4.0
Contra Costa	1.13	4.6	83.0	-2.9
Co. of Alameda	1.43	4.9	99.6	-1.2
Foothill	2.31	11.6	105.6	-4.0
Fresno	0.13	16.8	102.5	-5.3
Golden Sierra	0.08	5.6	80.3	-2.7
Humboldt	0.04	12.8	101.4	-7.6
Imperial	0.03	20.8	100.7	-2.1
Kern/Inyo/Mono	0.03	13.4	102.2	-2.6
Kings	0.09	15.0	99.2	-8.9
Long Beach	2.31	11.6	105.6	-4.0
Los Angeles City	7.00	14.9	105.6	-4.0
Los Angeles County	2.31	11.6	105.6	-4.0
Madera	0.05	13.1	86.9	0.0
Marin	0.46	3.0	84.1	-3.8
Mendocino	0.02	11.0	99.4	-7.1
Merced	0.10	15.4	94.1	-2.9
Monterey	0.11	8.5	98.7	1.4
Mother Lode	0.03	7.3	89.5	-21.0
Napa	0.16	4.6	93.2	-1.7
NoRTEC	0.01	11.9	96.6	3.1
NCC	0.05	13.3	94.0	-2.9
NOVA	4.59	2.9	108.2	0.6
Oakland	6.35	16.7	99.6	-1.2
Orange	2.32	4.1	100.2	-0.7
Richmond	3.06	13.5	83.0	-2.9
Riverside	0.19	8.4	84.4	-2.5
Sacramento	1.16	9.8	104.4	-3.2
San Benito	0.03	7.3	77.4	-7.9
San Bernardino City	3.30	19.5	83.9	-1.7
San Bernardino County	0.07	9.1	83.9	-1.7
San Diego	0.64	8.1	98.8	-2.3
San Francisco	7.00	9.7	148.3	-3.7
San Joaquin	0.38	12.0	94.8	-4.6
San Luis Obispo	0.07	6.8	98.4	-4.3
San Mateo	1.54	4.3	92.3	-0.6
Santa Ana	7.00	12.5	100.2	-0.7
Santa Barbara	0.14	7.4	102.5	-8.9

SDA	Population Density (1,000s/sq. mi.) (LMID: CY 1997)	Percent Family Income Below Poverty Level (LMID: CY 1997)	Employee/ Resident Worker Ratio (DOL: CY 90)	3-Year Growth Rate in Earnings in Retail/Wholesale Trade (DOL CY 92- CY 95)
Santa Clara	0.99	5.7	108.2	0.6
Santa Cruz	0.55	6.2	89.1	-4.0
SELACO	2.31	11.6	105.6	-4.0
Shasta	0.04	11.0	100.3	-6.3
Solano	0.45	6.0	76.2	-3.6
Sonoma	0.27	5.2	87.3	-0.6
South Bay	2.31	11.6	105.6	-4.0
Stanislaus	0.28	11.4	93.7	-3.6
Tulare	0.07	18.0	94.7	-0.2
Ventura	0.39	5.0	83.5	-1.2
Verdugo	2.31	11.6	105.6	-4.0
Yolo	0.15	9.8	107.4	5.7
State	0.21	9.3	100.0	-3.3

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N **EXTREME VALUES**
PY 1997-98
(July 1, 1997, through June 30, 1998)
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Table I

Extreme Model-Adjusted Performance Standards for Title III

	Extremely Low	Extremely High
Entered Employment Rate	< 61%	> 81%
Wage at Placement	< \$4.82	> \$13.62

Table II

Extreme Values for Title III Local Factors

	Extremely Low	Extremely High
Percent female	< 21	> 78
Percent age 55 or more	--	> 20
Percent not a high school graduate	--	> 29
Percent post high school attendee (not a college graduate)	< 9	> 49
Percent college graduate and above	--	> 44
Percent Black	--	> 74
Percent other minority	--	> 77
Percent minority male	--	> 52
Percent cash welfare recipient	--	> 25
Percent basic deficient	--	> 75
Percent individual with disabilities	--	> 21
Percent limited English language proficiency	--	> 20
Percent displaced homemaker	--	> 16
Percent Vietnam-era veteran	--	> 22
Percent unemployed 15 or more weeks	< 7	> 83
Percent UC claimant	< 20	> 93
Percent UC exhaustee	--	> 32
Average hourly dislocation wage	< 7.00	> 17.46
Unemployment rate	< 3	> 16
Annual earnings in retail and wholesale trade (1,000's)	< 12	> 26
Employee/resident-worker ratio (percent)	< 64	> 176